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SUBJECT: SCENESETTER FOR THE G8 FOREIGN MINISTERIAL IN

TRIESTE, ITALY, JUNE 25-26

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Classified By: CHARGE D'AFFAIRES ELIZABETH L. DIBBLE. REASONS E.O. 129 58: 1.4 (B) and (D)

- (C) BEGIN SUMMARY: While the two G8 sessions are packed with regional and functional issues, this Foreign Ministerial has become almost a sideshow to what FM Frattini intends as the "jewel in the crown," the Afganistan-Pakistan Outreach that include neighbors and "influential others" in discussions on cultural and scientific cooperation, border management, illicit trafficking, economic development and infrastructure, refugees, migration and human resources. Italians view the G8 sessions as largely a stock-taking exercise and view their role as principally to shepherd discussions to agreement. While they had earlier hopes of "deliverables" (e.g., anti-piracy) that have run into immovable objections, they do not at this point have substantial objectives on G8 issues. Frattini and his key advisors have in fact devoted most of their efforts to teeing up the AfPak events to garner full participation by all of Afghanistan's neighbors. Getting all of the neighbors (and "influentials") to the table will be viewed as mission accomplished; if the discussions lead to even modest agreements on operational cooperation, Frattini will feel he has achieved all of his goals. The proliferation of G8 topics has also meant that the Foreign Ministerial will not tie in directly in a number of areas to the Summit itself. END SUMMARY.
- 12. (C) Madame Secretary, welcome to Trieste. A battleground during the early days of the Cold War and also after the First World War, Trieste is the hub that connects the Mediterranean and Central Europe, Western Europe and the Balkans. This Vienna on the Adriatic, once the home of the Habsburg Navy and of James Joyce, has always been a multiethnic and cosmopolitan city where Italians, Slovenes, Croats, and other national groups coexisted and thrived.
- 13. (C) The Trieste Foreign Ministerial, the penultimate event of the Italian G8 Presidency before the Summit meeting at L'Aquila July 8-10, epitomizes Italy's belief that outreach has become one of the most important tasks for this organization of the world's richest democracies, the Group of Eight. Trieste has also become a prime opportunity for Italy to take advantage of its platform as G8 President to advance its self-appointed role as a diplomatic "bridge" among certain countries, and, in the case of the U.S., between Iran and the U.S. FM Frattini is aiming to demonstrate the G8's ability to engage in outreach via "flexible geometry" without expanding its core membership, to which Italy remains

attached as part of its position as an original member of the G7. Italy also seeks to prevent the G8 from being overshadowed by the G20 by pressing its relevancy, in particular via the AfPak initiative.

14. (C) While no major theme will take center stage, here are some areas of primary focus:

Non-Proliferation

15. (C) At our request, Italy has put non-proliferation issues high on the agenda under its G8 presidency, as discussed between PM Berlusconi and President Obama in their meeting this past week. The Non-Proliferation Directors Group (NPDG) and the Global Partnership Working Group (GPWG) met four times to identify areas of cooperation and advance key concepts. In the Trieste Chairman's Statement, non-proliferation will be prominently featured, with a focus on strengthening multilateral regimes to reinforce global non-proliferation efforts. With this effort in mind, the Statement highlights the importance of a successful outcome of the 2010 NPT Review Conference and salutes the decision by the US and Russia to negotiate an agreement to replace the START. The stand-alone Leaders Statement on Non-proliferation will be published in L'Aquila as well as the GP Annual Report, Annex of projects in Russia/FSU, the new Global Annex, and the scientist engagement recommendations.

Anti-Piracy

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16. (C) Italy's historic ties with the Horn of Africa and substantial shipping interests spurred great Italian interest in joining the U.S.-led efforts on countering piracy this past year, with Italy joining the Working Group and contributing a frigate to the EU Anti-Piracy Mission (ATALANTA). Given their interests, the Italians initiated the inclusion of piracy on the G8 agenda, and had originally proposed an "action plan" to address the issue, including the creation of an international tribunal. With the plan running into heavy opposition from G8 partners, the final text, as discussed during the Political Director's meeting on June 8-9, will instead agree to support multilateral actions.

Middle East

17. (C) Frattini and PM Berlusconi have expended considerable energy since coming into office a year ago in getting Italy branded "Israel's best friend in Europe." Those efforts paid off when FM Lieberman made Rome his first foreign trip, and PM Netanyahu will do similar honors next week when he sees PM Berlusconi and FM Frattini on June 23. Frattini and Berlusconi talk regularly by phone with their Israeli counterparts, and PM Berlusconi offered the President his good offices to help persuade the Israeli leadership to make concrete steps on the peace process. Frattini is eager to support U.S. efforts, in particular in our nascent dialogue with Syria.

Afghanistan-Pakistan Ministerial Conference

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18. (C) The regional Ministerial Conference on Afghanistan and Pakistan was Foreign Minister Frattini's idea and has almost eclipsed the Foreign Ministerial as the scope and number of participants has grown. Italy's ambition to host a major donor conference on Afghanistan was thwarted by the

French in 2008; the Trieste conference -- which has as many participants as a donors' conference, but will not generate pledges -- is designed mainly to earn Italy a leadership role in the crowded field of Afghan affairs. By focusing on the regional dimension of the problem, Frattini hopes to forge a new regional consensus and provide new approaches to transnational issues: border security, flows of people, narcotics and weaponry, weak civil society connections across frontiers, poor government-to-government information flow, etc. The fact that the G8 and its members have been focusing on these issues for some time (through the Coordination Arrangement of the G8 Afghanistan-Pakistan initiative launched at Potsdam in 2007, or the Canadian-led Dubai process, for instance), has made it challenging for the Italians to come up with something new to add to the process, but it has also made them exceptionally open to new ideas such as the U.S proposals to focus on agricultural development and improved trade and transit links between Afghanistan and Pakistan.

- The centerpiece of the conference is the session on **1**9. (C) June 26 that will include Afghanistan and Pakistan's immediate neighbors, with Iran providing the key ingredient in Frattini's formula for groundbreaking consensus. Italians have kept tight control of this portion of the event and are preemptively setting the bar low. Frattini's chief of staff has told us they very much hoped to have Iranian participation, but for the purposes of getting all the neighbors fully engaged in supporting AfPak stability, if the Iranians do not send anyone, it would just mean one neighbor missing. Bringing all the neighbors together will, in itself, be a success, he said. Beyond that, if they can get a few modest agreements to cooperate operationally on border and other issues, they believe they will have achieved a great
- $\P 10.$ (C) At this point, only Iranian participation is in question. All 10 other neighbors will attend (all at the Ministerial level, with the exception of Turkmenistan). The finale of the G8 Outreach session will include 42 delegations including the neighbors, a raft of UN agencies and international financial institutions, and nations that the GOI views as the principal European, Asian, and Middle

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Eastern stakeholders in the success of our Afghanistan effort. The GOI is also hoping to stimulate cooperation among civil societies in the region through a conference on promoting cultural and scientific exchanges in the Afghanistan-Pakistan region. The size of the event is in keeping with the general Italian propensity throughout its Presidency to feel that "more is better." All G8 partners have warned the MFA that the format has become so large that frank and fruitful discussion may be almost impossible.

Frustrated Efforts on Iran

111. (C) While FM Frattini has been careful for months to frame Iranian participation at Trieste as falling strictly within the AfPak Outreach goals of contributing to stability and problem-solving in that area, it has been clear for some time that he also harbors an avid desire to play host to the first ministerial-level U.S.-Iranian handshake in more than 30 years. He has worked strenuously behind the scenes and in public commentary to elicit an Iranian commitment to send FM Mottaki. Post-election turmoil in Iran definitively scuttled the Italians' attempts to organize a pre-Trieste trip to Tehran by Frattini to try to lock in Mottaki's participation. At this point, the MFA expects lower-level Iranian attendance, but feels any Iranian participation in the Outreach events can be termed a success, a tangible sign of Iranian willingness to join a larger collaboration, even one including old enemies.

112. (C) The Italians were, like most, astonished by the dramatic evolution of post-election protests in Iran, and laud President Obama's continued public declarations that the U.S. remains committed to direct engagement with Tehran, regardless of the outcome of the elections. Frustrated by their exclusion from the P5-plus-1, the Italians have eagerly sought entre via other modes of consultation, including the Quint and discussions on national measures. Berlusconi apparently took to heart the President's request that Italy be ready to "do more" to pressure Tehran commercially/economically; one of his advisors told us that the PM, following his return from Washington, personally called ENI chairman Scaroni to warn him off concluding any deals with Tehran in the near future.

Comment

113. (C) There is no getting around the fact that this Foreign Ministerial lacks focus, and is excessively long in both time and agenda. All G8 partner urgings (including our own) to cut back and refine the focus (including on the AfPak piece) have essentially fallen victim to the Italian penchant to want to make a splash and not to leave anyone out (as late as this week, the Italians have been acceding to requests for invitations from international organizations and some EU member states). That said, FM Frattini very much appreciates the substantial amount of your time this event has captured, and places a premium on your presence and your engagement. The Italians, including the FM, will bend over backwards in Trieste to support and facilitate USG priorities, and will work with you and your staff to keep this event in line with where we want to go, both on G8 issues, as well as on the critical AfPak and Iran issues.

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